



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 19, 1994

Mr. Byron N. Ray
Ray Mining LC
884 North Oakwood Circle
Price, Utah 84501

Dear Mr. Ray:

Re: Reclamation Requirements, Cudahy Mine, S/027/043, Millard County, Utah

Thank you for your letter, received by the Division on June 23, 1994, regarding the status of operations conducted at the Cudahy Mine site. We are sorry for the unforeseen delay in forwarding a response to you. Other urgent issues have prevented an earlier response.

In your letter you stated you were seeking information on mining regulations. Please find enclosed a copy of the Division's mining rules for our non-coal Minerals Regulatory Program. Also enclosed is a copy of the Utah Mined Land Reclamation Act (Title 40-8, 1975, et seq., as amended). I hope these may be of some aid to you. The Utah Mined Land Reclamation Act applies to exploration and mining-related activities conducted on all lands (state, federal and private) within the state. Excluded lands include: Indian/tribal lands, National and State Parks/Monuments, and Military Reservations. Before beginning an exploration or mining project on lands within the state, a Notice of Intention to explore (or mine) must be filed with and accepted/approved by this Division.

As you know, in September of 1992, Mr. Thomas Clark filed a Small Mining (5 or less acres) Notice of Intention with this office to mine a small portion of the previously disturbed Cudahy mine site area. By letter dated January 6, 1994, Mr. Clark notified us that he would like us to terminate his small mining notice. Mr. Clark stated that he has not mined or removed any minerals from the Cudahy property. He also stated that he is not associated with anyone else who may have more recently taken pumice from the mine site area.

We cannot honor Mr. Clark's release request at this time. We must first field verify the extent of actual mining disturbance that has (or has not) occurred within the area described under his notice. If recent disturbances exist, then the State must hold Mr. Clark responsible for reclamation of these disturbances unless another party steps forward to assume the existing permit and reclamation liability.

We have consulted with our legal counsel regarding who would have the ultimate reclamation responsibility for the other unpermitted post-law mining disturbances at the Cudahy mine site. We

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have been advised that under state mining law, if a valid mine permit does not exist, then the land owner would ultimately be held responsible for reclamation of the mine disturbances.

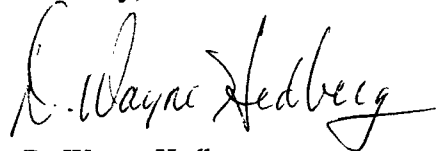
It is important to understand that a mining permit(s) must be secured from this office before any continued or future mining activities are conducted at the Cudahy Mine. For this reason, it may be in your best interest to secure written agreements/contracts between yourself and any parties that are/or will be removing material from the mine site area. For your own protection, we suggest that your agreements/contracts define who will be responsible for acquiring the necessary mining permits and reclamation of re-impacted and/or newly disturbed areas.

To help us resolve this permitting issue, another joint inspection of the property is required. Presently, our schedules are full until around the middle of August. It would be helpful to have Mr. Clark present during the inspection to help clarify his proposed area of disturbance and responsibility. Please call me or Travis Jones to arrange a time and date for an inspection that would be acceptable to all concerned parties.

Usually the operator (or lessee) that actually mines a site, files the required mining notice/application with our office. That individual/operator is then held responsible for mining and reclaiming his affected areas according to the required State performance standards.

Thank you for your cooperation and willingness to work with us to resolve this matter. We look forward to hearing from you soon. Please contact me or Travis Jones of my staff, at (801) 538-5340, if we can provide further assistance in this regard.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wayne Hedberg", with a stylized, flowing script.

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Thomas Clark
Lowell Braxton, DOGM
Minerals File
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